FINAL DRAFT

NOTE: SUBSTANTIAL AMENDMENTS OF ENTIRE BYLAWS.
FOR ORIGINAL TEXT SEE ORIGINAL BYLAWS.

AMENDED AND RESTATED BYLAWS OF
OAK HOLLOW AND MAHOGANY RUN NEIGHBORHOOD ASSOCIATION, INC.

1. GENERAL. These are Bylaws of Oak Hollow and Mahogany Run Neighborhood Association, Inc., a Florida corporation not for profit, which was originally incorporated under the same name on April 10. 1997, hereinafter the "Neighborhood Association." The corporation is organized under the laws of Florida as a community association for the purpose of operating a residential community. All prior Bylaws are hereby revoked and superseded in their entirety.

1.1 Principal Office. The principal office of the Neighborhood Association is c/o Southwest Property Management, 1044 Castello Dr, Naples, FL 34103 or as otherwise listed with the Florida Department of State Division of Corporations, unless changed by the Board of Directors.

1.2 Seal. The seal of the Neighborhood Association shall be inscribed with the name of the Neighborhood Association, the year of its organization, and the words "Florida" and "corporation not for profit". The seal may be used by causing it, or a facsimile of it, to be impressed, affixed, reproduced or otherwise placed upon any document or writing of the corporation where a seal may be required.

1.3 Definitions. The terms defined in the Articles of Incorporation of the Neighborhood Association ("Articles") as well as in the Declaration of Covenants, Conditions and Restrictions for Oak Hollow and Mahogany Run ("Declaration") are incorporated herein by reference.

1.4 Official Records. The books and records of the Neighborhood Association shall be maintained at the management agent's office and, subject to the limitations imposed by law, shall be open to inspection and available for copying by the Owners, or their authorized agents, at reasonable times and places within ten (10) business days after the receipt of a written or electronic request for access. Such parties may make or obtain copies of those records as provided by applicable law.

2. MEMBERS. The Members of the Neighborhood Association are the record Owners of legal title to the Lots. In the case of a Lot subject to an agreement for deed, the purchaser in possession shall be deemed the Owner of the Lot solely for purposes of determining use rights.

2.1 Change of Membership. A change of membership shall become effective after all the following events have occurred.

(A) Recording in the Public Records of a Deed or other instrument evidencing legal title to the Lot in the Member.

(B) Delivery to the Neighborhood Association of a copy of the recorded deed or other instrument evidencing title.

(C) Designation, in writing, of a Primary Occupant, which is required when title to a Lot is held in the name of two (2) or more persons who are not a married couple, or by a trustee or a corporation or other entity which is not a natural person. If no pPrimary Occupant has been designated when required, the Neighborhood Board of Directors may make the initial designation for the Owner.

(D) A change of membership in the Neighborhood Association shall be established by the new Member's membership becoming effective as provided herein. At that time, the membership of the prior owner(s) shall be terminated automatically.

2.2 Neighborhoods. The Master Property described in the Master Declaration of Covenants, Conditions and Restrictions for Autumn Woods ("Master Declaration"), as it may be amended from time to time, has been designated as separate Neighborhoods for the purposes of the Master Association. Each Lot or Unit subject to the Master Declaration is situated within a Neighborhood. Oak Hollow and Mahogany Run is a Neighborhood as defined in the Master Declaration, and Oak Hollow and Mahogany Run Neighborhood Association, Inc. is a Neighborhood Association. The Lots within Oak Hollow and Mahogany Run are subject to the Declaration. The Owner of each Lot will be a Member of this Neighborhood Association as well as a Member of the Master Association.

2.3 Voting Rights. The Neighborhood Association shall exercise the voting rights established on behalf of all Members whose Lots are within the jurisdiction of this Neighborhood. On all matters requiring the votes of Members as may be described in the Declaration, or in the Articles of Incorporation, or Bylaws, such votes shall be conducted by the Neighborhood Association.

2.4 Voting Interests. The Members of the Neighborhood Association are entitled to one (1) vote for each Lot owned by them. The total number of possible votes (the Voting Interests) of the Neighborhood Association is the total number of Lots which is three hundred fifty (350). The vote of a Lot is not divisible. The right to vote may be suspended for non- payment of any monetary amounts that are delinquent, as defined in 6.4 herein, in excess of ninety (90) days. If a Lot is owned by one (1) natural person, the right to vote shall be established by the record title to the Lot. If a Lot is owned jointly by two (2) or more natural persons, that residential Lot's vote may be cast by any one (1) of the record Owners. If two (2) or more Owners of a Lot do not agree among themselves how their one (1) vote shall be cast on any issue, that vote shall not be counted for any purpose. If the Owner of a Lot is other than a natural person, the vote of that Lot shall be cast by the Lot's Primary Occupant. If the Member fails to designate a Primary Occupant, then the Neighborhood Association may accept the person asserting the right to vote as

the voting Owner until notified to the contrary by the other Owners(s). Upon such notification, no affected Owner may vote until the Owner(s) designate the Primary Occupant pursuant to this Section 2.4. All votes must be cast by an Owner or Primary Occupant.

2.5 Approval or Disapproval of Matters. Whenever the decision or approval of a Lot Owner is required upon any matter, whether or not the subject of a Neighborhood Association meeting, the decision or other response may be expressed by any person authorized to cast the vote of the Lot at a Neighborhood Association meeting, as stated in Section 2.4 above, unless the joinder of all record Owners is specifically required.

2.6 Termination of Membership. The termination of membership in the Neighborhood Association does not relieve or release any former Member from liability or obligation incurred under or in any way connected with the Neighborhood Association during the period of his membership, nor does it impair any rights or remedies the Neighborhood Association may have against any former Owner or Member arising out of or in any way connected with such ownership and membership and the covenants and obligations incident thereto.

3. MEMBERS' MEETINGS; VOTING.

3.1 Annual Meeting. There shall be an annual meeting of the Members held in Collier County, Florida, at a time and place designated by the Board of Directors, for the purpose of electing Directors and transacting any other business duly authorized to be transacted by the Members.

3.2 Special Members' Meetings. Special Members' meetings must be held whenever called by the President, or in his or her absence, the Vice-President, or by any two of the Directors, and may also be called by Members representing at least ten percent (10%) of the Voting Interests. The business at any special meeting shall be limited to the items specified in the notice of meeting.

3.3 Notice Meetings; Waiver of Notice. Notices of all Members' meetings must state the date, time and place of the meeting. Notice of special meetings must include a description of the purpose or purposes for which the meeting is called. The notice must be mailed to each Member at the Member's address as it appears on the books of the Neighborhood Association, or may be furnished by personal delivery, or electronic transmission. The Members are responsible for providing the Neighborhood Association with any change of address. The notice must be mailed, electronically transmitted, or hand delivered at least fourteen (14) days prior to the date of the meeting. If ownership of a residential Lot is transferred after notice has been mailed or transmitted, no separate notice to the new Owner is required. Attendance at any meeting by a Member constitutes waiver of notice by that Member, unless the Member objects to the lack of notice at the beginning of the meeting. A Member may also waive notice of any meeting at any time by written waiver.

3.4 Quorum. Unless otherwise provided, a quorum at Members' meeting shall be attained by the presence, either in person or by proxy, of persons entitled to cast at least twenty percent (20%) of the votes of the total Voting Interests.

3.5 Vote Required. The acts approved by a majority of the votes cast by the Voting Interests at a meeting of the Members at which a quorum has been attained shall be binding upon all Lot Owners for all purposes, except where a different number of votes is expressly required by law or by any provision of the Governing Documents.

3.6 Proxy Voting. Members may cast their votes at a meeting in person or by proxy. A proxy shall be valid only for the specific meeting for which originally given and any lawful adjournment of that meeting. No proxy shall be valid for a period longer than ninety (90) days after the date of the first meeting for which it was given. Every proxy shall be revocable at the pleasure of the Owner executing it. To be valid, a proxy must be in writing, dated, signed by the Owner or the person authorized to cast the vote for the Lot, specify the date, time and place of the meeting for which it is given, and the original or a copy must be delivered to the Property Manager by the appointed time of the meeting. If the Association does not employ a Property Manager, such proxies shall be delivered to the Secretary. No proxy shall be valid if it names more than one (1) person as the holder of the proxy, but the holder shall have the right, if the proxy so provides, to substitute another person to hold the proxy. Holders of proxies must be Members.

If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of this section, Chapter 720.306(8) Florida Statutes, as it may be amended from time to time, shall prevail over the provisions of these Bylaws.

3.7 Voting Process and Procedures of the Neighborhood Association

(A) All ballots and proxies in membership votes and elections shall be returned in person or by US Mail to the Association Property Manager. All such ballots and proxies must be received prior to the meeting deadline.

(B) The Board shall designate a Parliamentarian prior to any meeting or election requiring votes of the Members.

(C) The Property Manager will log and validate all ballots and proxies received and transport all such documents to the election meeting. The Property Manager shall provide sufficient voting materials at the meeting to support voting in person prior to the commencement of the meeting.

(D) The Property Manager and the Parliamentarian shall oversee the opening, counting, and recording of all secret ballot envelopes pursuant to 720.306 Florida Statute as amended from time to time. All volunteers opening, counting and recording ballots shall be Neighborhood Association members who are current on payment of their Assessments.

(E) Current Board Members, and their family members, and Candidates, and their family members, are prohibited from counting ballots.

(F) No ballots shall be cast after the deadline.

(G) All ballot envelopes shall be opened and ballots counted in an "open room" setting. Association members, other than current Board members and candidates may observe without interference. No envelopes may be opened prior to the commencement of the meeting.

(H) For votes involving Master Board elections, the Property Manager and the Parliamentarian shall tally the votes and the Neighborhood Representative shall report the results to the Master Association and the total number of votes shall be cast accordingly.

For all Neighborhood Association votes, the Property Manager and the Parliamentarian shall tally the votes and report the results to the Association President who shall immediately announce such results including the vote tally. The results and vote tally shall become a permanent record of the Association by inclusion in the Meeting Minutes.

Commented [BM1]: OHMR owners participate in separate elections for its BOD and for the Master BOD. I have tried to differentiate the process between the two types of elections.

(I) Members shall not have the right to cast votes directly with the Master Association.

3.8 Participation at Meetings By Remote Communication. Unless prohibited by Chapter 720, Florida Statute as amended from time to time, the Board of Directors as provided in Section 617.0721 F.S., hereby authorize Members and proxy holders who are not physically present at a meeting may, by means of remote communication:

(A) Participate in the meeting.

(B) Be deemed to be present in person and vote at the meeting if:

1. The Neighborhood Association implements reasonable means to verify that each person deemed present and authorized to vote by means of remote communication is a Member or proxy holder; and

2. The Neighborhood Association implements reasonable measures to provide such Members or proxy holders with a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Members, including an opportunity to communicate and to read or hear the

proceedings of the meeting substantially concurrent with the proceedings.

3. The Association shall take all reasonable efforts to make all meetings, of any nature, available by remote communications.

3.9 Adjourned Meetings. Any duly called meeting of the Members may be adjourned to be reconvened at a later time by vote of the majority of the Voting Interests present, regardless of whether a quorum has been attained. When a meeting is so adjourned it shall not be necessary to give further notice of the time and place of its continuance if such are announced at the meeting being adjourned. Any business which might have been conducted at the meeting as originally scheduled may instead be conducted when the meeting is reconvened, but only if a quorum is present.

3.10 Participation By Members. Subject to the following Members shall have the right to speak at the meetings of the Members and Board meetings with reference to all designated agenda items. A Member does not have the right to speak with respect to items not specifically designated on the agenda; provided, however, that the Board may permit a Member to speak on such items in its discretion. Every Member who desires to speak may do so, provided that the Members has filed a written request with the Secretary of the Association prior to the scheduled time for commencement of the meeting. The Secretary shall provide a sign-up sheet at all meetings. Completing such sheets shall satisfy the requirement of filing a written request with the Secretary as described herein. If a Member files a written request, such Member may speak but shall be limited to a maximum of three (3) minutes per agenda item. Notwithstanding the provisions herein, a Member shall be afforded an opportunity prior to adjournment to speak on any topic, whether included as an agenda item or not.

Any Member may record or video record a meeting.

3.11 Order of Business. The order of business at Members' meetings shall be substantially as follows:

(A) Call to Order

(B) Call of the roll or determination of quorum

(C) Proof of notice of meeting

(D) Reading or disposal of minutes of last Members' meeting

(E) Reports of Officers

(F) Reports of Committees

(G) Election of Directors (annual meeting only)

(H) Unfinished Business

(I) New Business/Owner Comments

(J) Adjournment

3.12 Minutes. Minutes of all meetings of the Members and of the Board of Directors shall be kept in a businesslike manner, available for inspection by Members or their authorized representatives at all reasonable times. Minutes must be reduced to written and electronic form within thirty (30) days after the meeting. Electronic files shall be readily accessible through either the Association or the Property Management Company's website. Minutes must be in accordance with the requirements of Chapter 720, F.S.

3.13 Parliamentary Rules. Roberts' Rules of Order Newly Revised (Latest Edition) shall guide the conduct of the Neighborhood Association meetings when not in conflict with the law, with the Declaration, or with the Articles or Bylaws. The presiding officer may appoint a Parliamentarian whose decision on questions of parliamentary procedure shall be final. Any question or point of order not raised at the meeting to which it relates shall be deemed waived.

4. BOARD OF DIRECTORS. The administration of the affairs of the Neighborhood Association shall be by a Board of Directors. All powers and duties granted to the Neighborhood Association by the Governing Documents or Chapters 720 or 617 of the Florida Statutes, as amended from time to time , shall be exercised by the Board, subject to approval or consent of the residential owners only when such is specifically required.

4.1 Number and Terms of Office. The number of Directors which shall constitute the whole Board of Directors shall be five (5). A Director's term will end at the annual election at which his successor is to be duly elected, unless he/she sooner resigns or is recalled as provided for in Section 4.5 below. Directors shall be elected by the Members as described in Section 4.3 below, or in the case of a vacancy, as provided for in Section 4.4 below.

4.2 Qualifications. Each Director must be an Owner or Primary Occupant or the spouse of an Owner or Primary Occupant. In the case of a Lot owned by a corporation or company, if no Primary Occupant has been designated, any officer is eligible for election to the Board of Directors. If a Lot is owned by a partnership, if no Primary Occupant has been designated, any partner is eligible to be a Director. If a Lot is held in trust, if no Primary Occupant has been designated, the trustee, grantor or settlor of the trust, or any one of the beneficial owners residing in the Lot is eligible to be elected to the Board of Directors. No more than one (1) Director may serve on the Board for any Lot or Unit at any one time, regardless of number of eligible

persons. A person who is delinquent, as defined in 6.4 herein, in the payment of any fee, fine, or other monetary obligation to the Neighborhood Association as of the closing of nominations is not eligible for board membership. A person who has been convicted of any felony in this state or in a United States District or Territorial Court, or who has been convicted of any offense in another jurisdiction which would be considered a felony if committed in Florida, is not eligible for Board membership unless such felon's civil rights have been restored for at least five (5) years as of the date such person seeks election to the Board. Any person who has been convicted of a felony or an offense in another jurisdiction which would be considered a felony if committed in Florida but has had his/her civil rights restored for at least five (5) years shall provide documentation of the date on which his/her civil rights were restored. The validity of an action by the Board is not affected if it is later determined that the Director was not eligible for election to the Board of Directors.

4.3 Nominations, Elections, and Notice for Election of Directors. At each annual meeting, the Members shall elect as many Directors as there are regular terms of Directors expiring. Directors shall be elected by written secret ballot. Written ballots may be submitted by mail or in person, or otherwise delivered to the Association's Property Manager prior to the annual Member's meeting, or in person prior to commencement of such meeting. If the Neighborhood Association does not employ a Property Manager, such ballots shall be returned to the Secretary. Not less than sixty (60) days before a scheduled election, the Neighborhood Association shall mail or deliver, whether by separate mailing or included in another mailing or delivery including regularly published newsletters, to each Member a first notice of the date of the election. Any Member desiring to be a candidate for the Board must give written notice to the Neighborhood Association not less than forty (40) days before a scheduled election. Upon the request of any such candidate, the Neighborhood Association shall include an information sheet, no larger than 8 ½ by 11 inches, one-sided, which must be furnished by the candidate not less than thirty-five (35) days before the election, to be included with the mailing of the ballot, with the costs of mailing and delivery and copying to be borne by the Neighborhood Association. The Neighborhood Association is not liable for the contents of the information sheets prepared by the candidates. The information sheets shall be single sided and the information sheet of one candidate may not be printed on the back of an information sheet of another candidate. Not less than fourteen (14) days before the annual meeting, the Neighborhood Association shall mail or deliver to all Members a written notice and agenda for the annual meeting together with a second notice of the election and ballot which shall list all candidates who previously gave notice of their candidacy in the manner stated. Directors shall be elected by a plurality of the votes cast. At such election, the Members may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration and these Bylaws. The persons receiving the greatest number of votes shall be elected, except that a tie vote shall be broken by drawing of lots. Cumulative voting is not permitted.

4.4 Resignation; Vacancies on the Board. Any Director may resign at any time by giving written notice to the Neighborhood Association, and unless otherwise specified therein, the resignation shall become effective upon receipt. If the office of any Director becomes vacant for any reason, a successor shall be appointed by the Board at a meeting of the Board of Directors of the Neighborhood Association. The successor so appointed shall fill the term of the Director being replaced. If for any reason there shall arise circumstances in which no

Directors are serving and the entire Board is vacant, the Members shall elect successors at a special Member's meeting.

4.5 Recall of Directors. Any Director may be recalled, with or without cause, pursuant to Chapter 720.303(10), as may be amended from time to time. If a special meeting is called by ten percent (10%) of the Voting Interests for the purpose of recall, the notice of the meeting must be accompanied by a dated copy of the signature list, stating the purpose of the meeting. The meeting must be held not less than fourteen (14) days nor more than sixty (60) days from the date that notice of the meeting is given. If recall is effected by written agreement, the vacancy or vacancies shall be filled as provided by Florida law. If recall is effected at a meeting, any vacancies created thereby shall be filled by the Members at the same meeting. Any Director who is recalled is not eligible to stand again for election to the Board until the next annual election, and must turn over to the Neighborhood Association within seventy-two (72) hours any and all records and other property of the corporation in his possession. If a Director who is recalled does not relinquish their office or turn over records as required, the circuit court in the county where the Neighborhood Association has its principal office may order the Director to relinquish their office and turn over corporate records upon application of any Member. In any such action, the prevailing party shall be entitled to recover its attorney fees and costs.

4.6 Organizational Meeting. The organizational meeting of a new Board of Directors shall be held within ten (10) days after the election of Directors, at such place and time as may be fixed and announced by the Directors at the annual meeting at which they were elected. The organizational meeting may be held immediately after the adjournment of the annual Neighborhood Association meeting.

4.7 Other Meetings. Meetings of the Board may be held at such time and place as shall be determined from time to time by the President, or in his or her absence, a Vice-President, or any two Directors at any time. It shall be the duty of the Directors, the President, or a Vice-President, to call such a meeting whenever so requested by the Neighborhood Association Members constituting at least twenty percent (20%) of the total Voting Interests. Notice of meetings shall be given to each Director by the Secretary at least forty-eight (48) hours prior to the time fixed for the meeting.

4.8 Notice to Owners. Meetings of the Board of Directors shall be open to Members except for meetings regarding personnel discussions and meetings between the Board and its attorney with respect to proposed or pending litigation where the discussion would otherwise be governed by the attorney-client privilege, and notices of all Board meetings, together, shall be posted conspicuously in the community at least forty-eight (48) continuous hours in advance of each Board meeting, except in an emergency. Notice of any Board meeting at which the Rules and Regulations regarding Lot use or Special Assessments are to be considered shall specifically contain a statement that the Rules and Regulations regarding Lot use or Special Assessments will be considered and the nature of the Rules and Regulations proposed or Special Assessment and shall be mailed, delivered or electronically transmitted and posted at least fourteen (14) days in advance. Such meetings shall be deemed Special Board Meetings and shall be limited specifically to the purpose for which the

meeting was called.

4.9 Waiver of Notice. Any Director may waive notice of a meeting before or after the meeting, and such waiver is deemed equivalent to the giving of notice. If all Directors are present at a meeting, no notice to Directors shall be required.

4.10 Quorum of Directors. A quorum at a Board meeting shall be attained by the presence in person of a majority of all Directors. Directors may participate in any meeting of the Board, or meeting of an executive or other committee, by remote communications whereby all persons present can hear and speak to all other persons. Participation by such means shall be deemed equivalent to presence in person at a meeting.

4.11 Vote Required. The acts approved by a majority of those Directors present and voting at a meeting at which a quorum has been attained shall constitute the acts of the Board of Directors, except when approval by a greater number of Directors is required by the Governing Documents or by applicable statutes. A Director who is present at a meeting of the Board is deemed to have voted in favor of every action taken, unless he or she voted against such action or abstained from voting because of an asserted conflict of interest. The vote or abstention of each Director present on each issue voted upon shall be recorded in the minutes of each meeting. Directors may not vote by proxy or secret ballot at Board meetings, except that secret ballots may be used in the election or removal of officers.

4.12 Adjourned Meetings. A majority of the Directors present at any meeting of the Board of Directors, regardless of whether a quorum exists, may adjourn the meeting to be reconvened at a specified later time. When the meeting is reconvened, provided a quorum is present, any business that might have been transacted at the meeting originally called may be transacted.

4.13 The Presiding Officer. The President of the Neighborhood Association, or in his or her absence, the Vice President, is the presiding officer at all meetings of the Board. If neither officer is present, the presiding officer shall be selected by majority vote of the Directors present.

4.14 Directors' Fees and Reimbursement of Expenses. Neither Directors nor officers, that are members, shall receive compensation for their services as such. Directors and officers may be reimbursed for all actual and proper out-of-pocket expenses related to the proper discharge of their respective duties.

4.15 Committees. The Board of Directors may appoint from time to time such standing or temporary committees, including a search committee, as the Board may deem necessary and convenient for the efficient and effective operation of the Neighborhood Association. Any such committee shall have the powers and duties assigned to it in the resolution creating the committee. Only committees assigned with the power to make final decisions regarding the expenditure of Neighborhood Association funds or committees vested with the power to

approve or disapprove architectural decisions with respect to specific parcel of residential property owned by a Member of the community are required to hold meetings that are open to Members and notice and hold their meetings with the same formalities as required for Board meetings. Committees vested with the power to approve or disapprove architectural decisions with respect to a specified parcel of residential property owned by a Member of the community may not vote by proxy or secret ballot. Members of a committee appointed by the Board of Directors may only be removed by the Board of Directors.

4.16 Emergency Powers. The Board of Directors may exercise the emergency powers authorized by Sections 617.0207, 617.0303, and 720.316 Florida Statutes, as amended from time to time hereafter.

4.17 Fiduciary Duty. Each member of the Board of Directors and each officer of the Neighborhood Association have a fiduciary relationship with the Members of the Neighborhood Association. This fiduciary relationship imposes obligations of trust and confidence in favor of the Neighborhood Association and its Members. It requires each member of the Board to act in good faith and in a manner he or she believes to be in the best interests of the Members of the Neighborhood Association. It means the Board members must exercise the care and diligence of an ordinarily prudent person when acting for the community, and it requires each of them to act within the scope of their authority.

Directors and officers of the Neighborhood Association must devote enough time and effort to the performance of their duties to ensure that they are reasonably and faithfully carried out on behalf of the Neighborhood Association. The fact that the Neighborhood Association is a corporation not for profit, or that the members of the Board are volunteers and unpaid, does not relieve them from the standards of trust and responsibility that the fiduciary relationship requires. When confronted with an issue involving special expertise such as a question of law, building or construction matters, insurance or accounting questions, or other similar issues, the law also contemplates that the Board of Directors or an officer will seek the appropriate advice of a professional considered competent in the field and rely upon that advice provided.

5. OFFICERS.

5.1 Officers and Elections. The executive officers of the Neighborhood Association shall be a President, and a Vice-President, who must be Directors, a Treasurer and a Secretary, all of whom shall be elected annually by a majority vote of the Board of Directors. Any officer may be removed with or without cause at any meeting by vote of a majority of the Directors. Any officer so removed shall return all books, records and property of the Neighborhood Association to the Neighborhood Association within seventy- two (72) hours of their removal. Any person except the President may hold two (2) or more offices. The Board may, from time to time, appoint such other officers, and designate their powers and duties, as the Board shall find to be required to manage the affairs of the Neighborhood Association. If the Board so determines, there may be more than one (1) Vice-President, assistant Secretaries or assistant Treasurers and such other Officers and agents as may be deemed necessary.

5.2 President. The President shall be the chief executive officer of the Neighborhood Association; shall preside at all meetings of the Members and Directors; shall be *ex-officio* a member of all standing committees; shall have general and active management of the business of the Neighborhood Association; and shall see that all orders and resolutions of the Board are carried into effect. The President shall execute bonds, mortgages and other contracts and documents requiring the seal of the Neighborhood Association, except where such are permitted by law to be otherwise signed and executed, and the power to execute is delegated by the Board of Directors to some other officer or agent of the Neighborhood Association.

5.3 Vice-Presidents. The Vice-Presidents, in the order of their seniority, shall, in the absence or disability of the President, perform the duties and exercise the powers of the President; and they shall perform such other duties as the Board of Directors shall assign.

5.4 Secretary. The Secretary shall attend meetings of the Board of Directors and all meetings of the Members and shall cause all votes and the minutes of all proceedings to be recorded in a book or books to be kept for the purpose, and shall perform like duties for standing committees when required. The Secretary shall give, or cause to be given, proper notice of all meetings of the Members, and of the Board of Directors, and shall perform such other duties as may be prescribed by the Board or the President. The Secretary shall keep in safe custody the seal of the Neighborhood Association and, when authorized by the Board, affix the same to any instrument requiring it. The Secretary shall be responsible for the proper recording of all duly adopted amendments to the Governing Documents. Any of the foregoing duties may be performed by an Assistant Secretary, if one has been designated.

5.5 Treasurer. The Treasurer shall have the custody of Neighborhood Association funds and securities, and be responsible for the keeping of full and accurate accounts of receipts and disbursements in books belonging to the Neighborhood Association. The Treasurer is responsible for the deposit of all monies and other valuable effects in the name and to the credit of the Neighborhood Association in such depositories as are selected by the Board of Directors. The Treasurer shall oversee the disbursement of Neighborhood Association funds, keeping proper vouchers for such disbursements, and shall render to the President and Directors, at meetings of the Board, or whenever they may require it, a full accounting of all transactions and of the financial condition of the Neighborhood Association. The Treasurer shall prepare an annual budget of estimated revenues and expenses to present to the Board of Directors for approval. Any of the foregoing duties may be performed by an Assistant Treasurer, if one is elected.

5.6 Compensation of Officers. No compensation shall be paid to any Member for services as an officer of the Neighborhood Association. This provision does not preclude the Board of Directors from employing those officers who are not Directors as employees of the Neighborhood Association but only in compliance with all conflict of interest laws.

6. FISCAL MATTERS. The provisions for fiscal management of the Neighborhood

Association set forth in the Declaration shall be supplemented by the following provisions.

6.1 Depository. The Neighborhood Association shall maintain its funds in such federally insured accounts at financial institutions in the State of Florida as shall be designated from time to time by the Board. Withdrawal of monies from such accounts shall be only by such persons as are authorized by the Board. The foregoing notwithstanding, the Board may invest Neighborhood Association funds in interest-bearing accounts, money market funds, certificates of deposit, U.S. Government securities and other similar investment vehicles.

6.2 Accounts of the Neighborhood Association. The Neighborhood Association shall maintain its accounting books and records according to generally accepted accounting principles. There shall be an account for each Lot. Such accounts shall designate the name and mailing address of each Lot, the amount and due date of each Assessment or charge against the Lot, amounts paid, date of payment and the balance due.

6.3 Budget. The Treasurer shall prepare and the Board of Directors shall adopt a budget of Neighborhood Association estimated revenues and expenses for each coming fiscal year. Once adopted, the Neighborhood Association shall provide to each Member a copy of the annual budget or a written notice that a copy of the budget is available upon request at no charge to the Member at least fifteen (15) days prior to the beginning of each fiscal year. The proposed budget shall be detailed and shall show the amounts budgeted by accounts and revenue and expense classifications. The estimated surplus or deficit as of the end of the current year shall be shown and all fees or charges for recreational amenities shall be set out separately. Notwithstanding the foregoing, the Board shall not adopt a budget with an increase in excess of ten percent (10%) from the previous fiscal year, including any reserves, without first obtaining the approval of a majority (50% + 1) of the Voting Interests present and voting, in person or by proxy, at a duly called meeting of the Members of the Neighborhood Association at which a quorum has been attained.

6.4 Reserves. The Board of Directors may establish in the budget one (1) or more reserve accounts for contingency reserves for unanticipated operating expenses. Board adopted reserve funds are not controlled by Chapter 720 Florida Statutes and therefore may be spent, waived or used as approved by the Board. The purpose of reserves is to provide financial stability and to avoid the need for special Assessments. The annual amounts proposed to be so reserved shall be shown in the annual budget.

6.5 Assessments; Installments. The regular annual Assessment based on an adopted budget shall be paid in quarterly installments, in advance, due on the first day of the quarter of each year. Written notice of the annual Assessment shall be sent to the Owners of each Lot prior to the first quarterly installment being due, but failure to send (or receive) such notice does not excuse the obligation to pay. If an annual budget for a new fiscal year has not been adopted, or if notice of any increase has not been made at the time the payment for the first quarterly installment is due, it shall be presumed that the amount of such installment is the same as the last quarterly installment, and payments shall be continued at such rate until a budget is adopted

and new annual Assessments are calculated, at which time an appropriate adjustment shall be added to or subtracted from each Unit's next due quarterly installment. Any Assessments which are not paid when due shall be delinquent. If the Assessment is not paid within ten (10) days after the due date shall accrue interest from the due date at the highest rate allowed by law and shall incur a late fee in the highest amount allowed by law.

6.6 Special Assessments. Special Assessments may be levied by the Board of Directors when necessary to meet unusual, unexpected, unbudgeted or non-recurring expenses, or for such other purposes as are authorized by the Declaration, Section 4.5 – Special Assessments, and these Bylaws. Special Assessments are due on the day specified in the resolution of the Board approving such Assessment. The notice of any Board meeting at which a Special Assessment will be considered shall be given as provided in Section 4.8 above; and the notice to the Owners must contain a statement of the purpose(s) of the Assessment.

6.7 Fidelity Bonds. The President, Treasurer, and all other persons who are authorized to sign checks, shall be bonded in such amounts as may be acquired by law or otherwise determined by the Board of Directors, but in no event be less than the maximum funds that will be in custody of the Neighborhood Association or its management agent at any one time. The premiums on such bonds are a Neighborhood Association Expense.

6.8 Financial Reports. Not later than ninety (90) days after the close of each fiscal year, the Board shall cause to be prepared a financial report as prescribed in Section 720.303, Florida Statutes. The Neighborhood Association shall provide each Member with a copy of the financial report or a written notice that a copy of the financial report is available upon request at no charge to the Member.

6.9 Audits. A formal, certified audit of the accounts of the Neighborhood Association, if required by law, by vote of a majority of the Voting Interests, or by a majority of the Directors, shall be made by a certified public accountant, and a copy of the audit report shall be available to all Members.

6.10 Application of Payments and Co-Mingling of Funds. All monies collected by the Neighborhood Association may be co-mingled in a single fund or divided into two (2) or more funds, as determined by the Board of Directors. Regardless of any restrictive endorsement all payments on account by a Lot Owner shall first be applied to late fees, interest, costs, attorney fees, other charges, fines and then to regular or special Assessments.

6.11 Fiscal Year. The fiscal year for the Neighborhood Association shall begin on the first day of January of each calendar year and end on December 31 of that same calendar year.

7. RULES AND REGULATIONS; USE RESTRICTIONS. The Board of Directors may, from time to time, adopt and amend administrative Rules and Regulations governing the use,

maintenance, management and control of the Lots specifically in relation to ARC Standards, and the operation of the Neighborhood Association.

8. COMPLIANCE AND DEFAULT; REMEDIES. The Neighborhood Association hereby adopts all the rights, remedies, policies, and procedures adopted by the Master Association in Section 8 of the Master Bylaws.

9. AMENDMENT OF BYLAWS. Amendments to these Bylaws shall be proposed and adopted in the following manner.

9.1 Proposal. Amendments to these Bylaws shall be proposed by a majority of the Board of Directors or upon petition of twenty-five percent (25%) of the Voting Interests, and shall be submitted to a vote of the Members not later than the next annual meeting.

9.2 Vote Required: Except as otherwise required by Florida law or as provided elsewhere in these Bylaws, these Bylaws may be amended if the proposed amendment is approved by the affirmative vote of at least sixty-seven percent (67%) of the Voting Interests present and voting, in person or by proxy, at a duly called meeting of the Members of the Neighborhood Association at which a quorum has been attained. The quorum requirement is as stated in Section 3.4 of these Bylaws, as it may be amended from time to time.

9.3 Effective Date: An amendment shall become effective upon the recording of a copy in the Public Records of Collier County, Florida with the same formalities as are required in the Declaration for recording amendments to the Declaration.

10. MISCELLANEOUS.

10.1 Gender; Number. Whenever the masculine or singular form of a pronoun is used in these Bylaws, it shall be construed to mean the masculine, feminine or neuter; singular or plural, as the context requires.

10.2 Severability. If any portion of these Bylaws is void or become unenforceable, the remaining provisions shall remain in full force and effect.

10.3 Conflict. If any irreconcilable conflict should exist, or hereafter arise, with respect to the interpretation of these Bylaws and the Declaration of Covenants, Conditions, Restrictions and Easements, or the Neighborhood Association's Articles of Incorporation, the provisions of the Declaration or Articles of Incorporation shall prevail over the provisions of these Bylaws.

10.4 Captions. Captions are inserted herein only as a matter of convenience and for reference, and in no way are intended to or shall define, limit, or describe the scope of these

Bylaws or the intent of any provisions hereof.